

House Study Bill 552

SENATE/HOUSE FILE _____
BY (PROPOSED ATTORNEY
GENERAL BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for increases in dollar amount limitations
2 contained within specified provisions of the consumer credit
3 code, and providing for periodic adjustment of those amounts
4 pursuant to changes in the consumer price index.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 5343DP 82
7 rn/nh/5

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1 1 Section 1. Section 537.1301, subsection 13, paragraph a,
1 2 subparagraph (5), Code 2007, is amended to read as follows:
1 3 (5) With respect to a sale of goods or services, the
1 4 amount financed does not exceed ~~twenty-five~~ seventy-five
1 5 thousand dollars, adjusted periodically to reflect changes in
1 6 the consumer price index as provided in section 537.1304.
1 7 Sec. 2. Section 537.1301, subsection 14, paragraph a,
1 8 subparagraph (4), Code 2007, is amended to read as follows:
1 9 (4) The amount payable under the lease does not exceed
1 10 ~~twenty-five~~ seventy-five thousand dollars, adjusted
1 11 periodically to reflect changes in the consumer price index as
1 12 provided in section 537.1304.
1 13 Sec. 3. Section 537.1301, subsection 15, paragraph a,
1 14 subparagraph (5), Code 2007, is amended to read as follows:
1 15 (5) The amount financed does not exceed ~~twenty-five~~
1 16 seventy-five thousand dollars, adjusted periodically to
1 17 reflect changes in the consumer price index as provided in
1 18 section 537.1304.
1 19 Sec. 4. NEW SECTION. 537.1304 DEFINED TERMS == CONSUMER
1 20 PRICE INDEX ADJUSTMENTS.
1 21 1. The designated dollar amounts specified in section
1 22 537.1301, subsections 13 through 15, in relation to consumer
1 23 credit sales, consumer leases, and consumer loans with regard
1 24 to amounts financed or leased, and in section 537.3604,
1 25 subsection 8, with regard to the amount payable under a
1 26 consumer rental purchase agreement, shall be subject to
1 27 periodic adjustment as provided in this section according to
1 28 and to the extent of changes in the consumer price index for
1 29 urban wage earners and clerical workers, United States city
1 30 average, all items, 1967=100, as published in the federal
1 31 register by the federal department of labor, bureau of labor
1 32 statistics, and hereafter referred to as the index. The index
1 33 for December of 1976 shall serve as the reference base index
1 34 for purposes of this section.
1 35 2. The designated dollar amounts shall change on the first
2 1 day of July in each even-numbered year if the percentage of
2 2 change, calculated to the nearest whole percentage point,
2 3 between the index at the end of the preceding year and the
2 4 reference base index is ten percent or more, but the portion
2 5 of the percentage change in the index in excess of a multiple
2 6 of ten percent shall be disregarded and the dollar amounts
2 7 shall change only in multiples of ten percent of the amounts
2 8 designated in the applicable sections.
2 9 3. If the index is revised, the percentage of change
2 10 pursuant to this section shall be calculated on the basis of
2 11 the revised index. If a revision of the index changes the
2 12 reference base index, a revised reference base index shall be
2 13 determined by multiplying the reference base index then
2 14 applicable by the rebasing factor furnished by the bureau of
2 15 labor statistics. If the index is superseded, the index
2 16 referred to in this section shall be the one represented by
2 17 the bureau of labor statistics as reflecting most accurately

2 18 changes in the purchasing power of the dollar for consumers.
2 19 4. The administrator, as defined in section 537.6103,
2 20 shall publish a notice in the Iowa administrative bulletin on
2 21 or before the thirtieth day of April of each year in which
2 22 dollar amounts are to change of the amount of the change as
2 23 required pursuant to subsection 2. Within thirty days after
2 24 the changes occur, the administrator shall publish changes in
2 25 the index required pursuant to subsection 3, including, if
2 26 applicable, the numerical equivalent of the reference base
2 27 index under a revised reference base index and the designation
2 28 or title of any index superseding the index.
2 29 Sec. 5. Section 537.3604, subsection 8, paragraph e, Code
2 30 2007, is amended to read as follows:
2 31 e. The amount payable under the consumer rental purchase
2 32 agreement does not exceed ~~twenty-five~~ seventy-five thousand
2 33 dollars, adjusted periodically to reflect changes in the
2 34 consumer price index as provided in section 537.1304.

2 35 EXPLANATION

3 1 This bill provides for increases in dollar amount
3 2 limitations specified in certain sections of the consumer
3 3 credit code, and also provides for periodic adjustment of
3 4 those limitations pursuant to changes in the consumer price
3 5 index.

3 6 The increases relate to limitations contained in Code
3 7 sections concerning consumer credit sales, consumer leases,
3 8 and consumer loans with regard to amounts financed or leased,
3 9 and regarding the amount payable under a consumer rental
3 10 purchase agreement, with an increase in the limitations from
3 11 currently specified levels of \$25,000 to \$75,000.

3 12 The bill additionally provides that these dollar amounts
3 13 shall be subject to periodic adjustment according to and to
3 14 the extent of changes in the consumer price index for all
3 15 urban consumers, United States city average, as published in
3 16 the federal register by the federal department of labor,
3 17 bureau of labor statistics, pursuant to a formula specified in
3 18 the bill. The bill provides for published notice of the
3 19 changes.

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